

# 2020/2021

## ANNUAL REPORT



**WFDSA**  
WORLD FEDERATION  
OF DIRECT SELLING ASSOCIATIONS





# REIMAGINE REINVENT REDEFINE

This year has been one of the most challenging years in recent history. Our thoughts and prayers go out to all those who have lost loved ones and, also to the many who have lost their livelihood. We are grateful to be able to now see the light at the end of the tunnel, but we know that challenges continue for many throughout the world.

So much has changed as a result of the pandemic, and all businesses need to accelerate their transformation in order to meet the needs and demands of consumers and society in the future. Our industry is no exception. This is the right moment to **Reimagine, Reinvent, and Redefine** the role and contribution of direct selling for the next decade, to expand our impact, and to help hundreds of millions of people live better lives.

We can **reimagine** what it's like in a digital world to build a direct selling business. Today more than one of every four human beings on our planet are connected through some sort of social media platform. In every country, the percentage of retail sales that are made through e-commerce is growing. There are billions of people who have a mobile phone, providing instant access to information, right in their hands. The direct selling industry has the opportunity to deploy these digital technologies in a way that significantly enhances and expands the earnings opportunity for our representatives, while continuing to create community and connection in both a digital and physical medium. Reimagining how we create community in a digital world is an important and exciting challenge. Just as companies whose employees are working remotely must solve this issue, it is even more fundamental for our industry to do so. And when we do, we will provide even greater connection and support to millions around the world.

We must also **reinvent** our notion of who is a direct seller. Entirely new global industries have been created in the last ten years as a result of the technology behind the cell phone and the need for hundreds of millions of people to earn a flexible part time income. Called the "Gig Economy" in the US, marketplaces for buyers and sellers of services have cropped up in virtually every free market economy in the world. These industries have created clear and simple propositions of associating specific actions with clear and simple compensation. By reinventing who is a direct seller and how they get rewarded, we can expand our industry and include more people in the future.

And finally, we need to **redefine** the conversation about what direct selling is. As companies, we can elevate our reputation and demonstrate our positive social and economic impact to the countries in which we operate by quantifying the impact of our industry and making clear the extent to which we provide a diverse, powerful, inclusive economy for all.

It is an honor and privilege to serve the direct selling industry during this pivotal time in history. I am very passionate about our industry and very optimistic about the opportunities that are available to us globally. Direct Selling has the largest and longest proven track record at providing part time flexible income for a diverse group of people at scale. For more than 100 years, direct selling has continuously provided earnings opportunities for tens of millions of people in all economic cycles. I look forward to what we can do together to expand our impact and improve the lives of many millions more!

Warm regards,

Roger Barnett  
Chairman



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## INCLUSIVE, DIVERSE, INNOVATIVE, ADAPTABLE, CREATIVE

As we navigate 2021 and begin to look ahead, I want to extend my gratitude to all my colleagues and friends all over the world. These are unprecedented times we are living in with the current pandemic. It profoundly affected the lives of millions of people around the world disabling entire communities and forever changing our lives. However, through many virtual meetings and conference calls, we've remained ever connected by reaching into our home offices and living rooms, while working through this time shared by everyone worldwide.

WFDSA and our member DSAs remained productive and helped to advance the cause of the industry worldwide despite all the challenges presented to us by the pandemic. Our industry has not only been resilient, but has realized a wave of inspiring new ideas, innovation, adaptability and creativity like never before. As our Chairman Roger Barnett said, "it is an opportunity to look forward and to 'Reimagine, Reinvent and Redefine' the global direct selling industry." It is truly an amazing, inclusive, and diverse industry I love so much that provides supplemental income earning opportunities to millions of people around the world.

I want to thank the CEO Council, the Operating Group, the Association Advisory Council members and all our DSAs staff and company volunteers for all their contributions that make our progress possible.

**Tamuna Gabilaia**  
Executive Director, WFDSA

**1** WFDSA  
**62** DSAs  
**170** COUNTRIES

# WFDSA

The World Federation of Direct Selling Associations is a voluntary, non-governmental organization that represents the global direct selling industry in more than 170 countries. More than 60 national and regional direct selling associations are members of WFDSA, united in the effort to maintain the highest ethical conduct standards among their member companies and to build understanding and support for direct selling worldwide.

## Mission

The WFDSA supports direct selling associations and their member companies by:

- developing, maintaining and promoting the highest global standards for responsible and ethical conduct in direct selling;
- advocating for the industry with governments, media and key influencers such as academic and consumer group leaders;
- serving as a trusted global resource for information on direct selling; and
- facilitating interaction among direct selling company executives on issues of importance to the industry.

All WFDSA member Direct Selling Associations have implemented the WFDSA World Code of Ethics for Direct Selling in their national Codes as a minimum requirement. All direct selling companies agree to be bound by these Codes as a condition of admission and continuous membership in a national association.

The WFDSA was founded in 1978 and is based in the United States capital of Washington, DC. To learn more about the WFDSA, its Code of Ethics and its initiatives, visit [www.wfdsa.org](http://www.wfdsa.org).



# A \$179.3 BILLION INDUSTRY

Direct selling is the person-to-person sale of a product or service by independent sales representatives who are sometimes also referred to as direct sellers, consultants, distributors or other titles. Direct sales often occur in a one-to-one or small group or party plan environment, often in the consumer's home. Direct sales also may take place in a branded shop or retail location, online via e-commerce or social media, or by subscription/automatic delivery.

Independent sellers earn income from direct selling companies on the sale of products. They join a direct selling business opportunity to earn extra money or even build a business with very low entry cost, low risk and company-provided training and support. Some people join direct selling companies just to buy exclusive products and services they enjoy at a discount.

Worldwide, more than 125 million entrepreneurs earn income by direct selling. They sell some of the world's most sought-after brands of nutrition, beauty, home care, jewelry, clothing, home decor and other products; and energy, telecommunications, legal, financial planning, insurance and other services. Direct selling accounted for 179.3 billion in retail sales globally in 2020.

People of all ages and backgrounds succeed in direct selling. No specific levels of education, experience, financial resources or physical condition are required. Sellers receive training and support from established companies.

## WHY DIRECT SELLING?

People say they choose direct selling because:

It is a low-risk way to own a business – it takes very little, if any, capital investment.

It can provide extra income. Direct sellers set their own goals for earning income and determine how to reach those goals.

It offers flexible work schedules. Direct sellers choose when and how much they work, whether full time or part time.

It offers the chance to develop new skills and be mentored by experienced leaders.

Earnings are in proportion to efforts. The level of success depends on how hard a person wants to work.

It provides opportunities to meet and socialize with people.





# GOVERNANCE

## CHIEF EXECUTIVE OFFICER (CEO) COUNCIL



“ I am both humbled and honored to have been a part of WFDSA during 2020, working with the many Company CEOs, executives and DSA leaders around the globe. This year will go down in history as a pivotal year. While, in some instances, change may have been accomplished through necessity, the industry was well positioned to embrace the change and to meet the needs of consumers through its redesigned processes. This is just the beginning. We have more to do. I believe, the best is yet to come. ”

**Josephine Mills**  
Assistant Treasurer

The WFDSA is governed by the CEO Council. The Council is comprised of chief executive officers of leading member companies around the world. The WFDSA chairman is a Council member elected by the Council to serve a three-year term.

The CEO Council directs WFDSA affairs and establishes priorities. The Council meets annually to address issues affecting the industry and chart the action plan. The CEO Council approves the annual operating budget and program of work prepared by the WFDSA Operating Group.



## 2020/2021 HIGH POINTS

### Activities and Strategic Initiatives

Direct selling is a highly personal industry that thrives on robust relationships between companies, independent sales representatives, consumers and suppliers. The WFDSA, along with its member associations and their member companies, is heavily invested in improving the quality of the relationships between these groups by fostering trust, confidence and high standards for conduct.

WFDSA strategic initiatives are designed to increase public awareness, understanding and support for the real and meaningful difference direct selling makes in various economies, political systems and people's lives around the world, every day. WFDSA and the national associations work closely together to educate key regulatory, consumer and academic groups and to promote consumer protection initiatives.



# ETHICS



“ I am very honored to be the Ethics Committee Chairman amid such challenging times. During 2020, when the whole world had to face a global pandemic, our industry rose to the challenge, offering our independent entrepreneurs an important source of income and support. By promoting and enforcing ethical standards that goes beyond compliance, we will be able to have an even greater positive impact. I cannot wait to see our initiatives coming to life during 2021. ”

João Paulo Ferreira

The Ethics Committee administers, promotes and enforces the Global Code of Ethics and implements programs to improve and strengthen the self-regulatory activities of WFDSA, local and regional associations and their member companies. The committee facilitates interaction between associations' Code administrators and sharing of best practices across nations. It also promotes awareness of the Code among member companies, media, regulators and consumer groups.

The Ethics Committee goal is to make direct selling be recognized as one of the most socially responsible industries in the world. The committee aims to do that by continuously raising WFDSA and DSAs' self-regulatory standards and ensuring national Direct Selling Association's member companies and independent direct sellers full adherence to them. Additionally, the committee intends to go beyond ethical standards and foster an industry's corporate behaviour that promotes human rights, human development, sustainability, social prosperity, income generation, financial and social inclusion.



## 2020/2021 HIGH POINTS

The Ethics Committee is working to identify the integrity risks applicable to the direct selling industry globally. The assessment results will be used to enhance WFDSA's integrity program, the Global Ethics Tool-kits and other processes to create long term value to the direct selling companies.



# ADVOCACY



“As an industry, we understand the value we offer and the good we do worldwide, but we need to do a better job of telling that story. We share the responsibility for our reputation, and together, we can reposition our industry to win in the emerging empowerment economy with a focus on three key value drivers: who we are matters, what we do matters and how we do it matters. As we continue to develop great products for our customers, create greater clarity around the business model and hold ourselves to high standards of integrity and transparency, we have the power to improve our reputation and build a more accurate, positive narrative around the products and services we sell, the opportunities we create and the good we do around the world.”

**Ryan Napierski, Chairman**

## Objectives

To improve the direct selling industry’s reputation by repositioning our industry to win in the emerging “empowerment economy”. The Advocacy Committee will build on the work of previous committees through its focus on improving industry reputation by:

- Defining the value we contribute to the global economy
- How the value we provide drives positive perception

The Committee will accomplish this by developing and executing a Global Reputation Plan that:

- Defines aligned strategic imperatives
- Outlines an operating plan
- Identifies key capabilities and resources
- Engages a third-party agency to help develop and execute a reputation campaign
- Ensures alignment with the WFDSA Operating Group and the CEO Council

Advocacy initiatives develop and strengthen relationships with key industry stakeholders through 3rd party research and communication and various local, regional and global educational initiatives.

## Advocacy Communications 2020/2021 HIGH POINTS

### French Direct Selling Association



WFDSA continues supporting the French Direct Selling Association’s (FVD) initiative to introduce direct selling in the leading French universities. In November 2021, FVD in close cooperation with the Lycée Brémontier will organize the European Innovation and Trade Colloquium which will bring together academics, direct selling industry representatives and business circles to exchange ideas and experiences related to this year’s theme “The agile company: key to performance”.





# Advocacy Events

## 2020/2021 HIGH POINTS

### Indian Direct Selling Association



The Indian Direct Selling Association in collaboration with Shoolini University jointly launched a 'Center of Excellence for Direct Selling in Academics' (CEDSA) and introducing one year post graduate diploma on direct selling. Govind Singh Thakur, Minister of Education and Rajinder Garg, Minister for Food, Civil Supplies and Consumer Affairs, Government of Himachal Pradesh inaugurated the event acknowledging that by introducing direct selling in the academic community, the students will receive a research-based education while also learning the nuances of the business. These initiatives will benefit the youth of the state and the rest of the country. WFDSA Executive Director Tamuna Gabilaia shared industry trends and congratulated DSA on such important initiative.

### Direct Selling Association of Indonesia



In January 2021, the DSA of Indonesia (APLI) organized public-private partnership event which was key-noted by Bambang Soesatyo, Chair of the Indonesian People's Consultative Assembly. According to the DSA of Indonesia statistics, 64% of those involved in direct selling are women between ages 24-30, many of them students/with college degree. More than 100,000 people make this business as their main source of income which shows how direct selling industry continuous to contribute to the Indonesian economy. WFDSA Chairman Roger Barnett gave an inspiring message about the direct selling industry and its ability to change lives.

### Direct Selling Association of Ukraine



In February 2021 Direct Selling Association of Ukraine organized online public- private partnership conference titled "Antifragility: How To Benefit From Changes" focusing on entrepreneurship and direct selling industry in Ukraine. Direct selling is a popular activity in Ukraine engaging approximately 1 million independent direct sellers. According to the Amway Global Entrepreneurship Report (AGER) 2020 survey, 81% of Ukrainians would like to start their own business and work for themselves compared to the global figure of 57%. Eighty four percent of Ukrainian women

have a desire to work for themselves compared to 49% of European women. Direct selling is among TOP 5 most popular business opportunities. Eugeniy Oleynikov, Deputy Chairman of the State Tax Service of Ukraine spoke to the group and reiterated his willingness to "cooperate with the DSA to further improve the conditions for entrepreneurial initiatives."

### Direct Selling Association of South Africa



In the fall of 2020, the DSA of South Africa hosted virtual conference focusing on inclusive and diverse direct selling industry and flexible income earning opportunities it provides to millions of people around the world.

"To all direct sellers, you are answering our President's Thuma Mina call. Your contribution might seem insignificant when looked at in isolation, but collectively your direct selling industry is a giant. You are among the people who are making South Africa great." Said Deputy Minister of Trade and Industry Nomalungelo Gina.



## Advocacy Events 2020/2021 HIGH POINTS

### Direct Selling Association of the Philippines



The DSA of the Philippines (DSAP) celebrated its 25th Annual Industry Awards virtually by recognizing their member companies' independent representatives. Awards were given in categories such as the "Sales Achiever", "Entrepreneur of the Year" and "Hall of Fame". DSAP also recognized member companies who have been members for ten, fifteen and twenty years. The event was titled "Moving Forward to 2021". Secretary Ramon Lopez from the Department of Trade & Industry keynoted the event. He commented, "As we move forward in 2021 and work towards our shared aspiration for sustainable growth, we're confident that we can build back better the post pandemic era." Other speakers included WFDSA Chairman Roger Barnett and WFDSA Executive Director Tamuna Gabilaia.

### Direct Selling Association of Ecuador



The Direct Selling Association of Ecuador held public-private partnership international digital direct selling conference focusing on entrepreneurial opportunities, digital marketing, personal brand establishment, entrepreneurship tips and the power of social media. Speaking on the occasion, Daniel Legarda, Vice Minister of Production, Foreign Trade and Investment acknowledged the direct selling industry as one of the pillars that helps to sustain the economy of the country.

# World Congress Tomorrow is Now



The World Congress (WC) titled "Tomorrow is Now" has been postponed due to the pandemic and will be held virtually on October 6-7, 2021. Registrations are now online at <https://www.wfdsa2020bangkok.com/registration>



# GLOBAL REGULATORY AFFAIRS



“ One of the most impactful things we can do to improve trust in our industry, and keep the entrepreneurial spirit alive and well, is to have clear and enforced laws and regulations in every country across the globe. From those that define direct selling vs. unethical operations, to those that provide consumer protections to our sales force and their customers, strong regulatory practices are necessary to a favorable reputation and positive public perception. Supporting the enactment of such practices; and providing education to the authorities on how to enforce them; remains our key focus and I look forward to all this committee will accomplish in 2021.

**Milind Pant**  
Global Regulatory Affairs Chairman

The Global Regulatory Affairs Committee (GRAC) protects the direct selling opportunity by providing proactive, strategic and tactical Government/Regulatory Affairs support to national DSAs to address and resolve direct selling issues.

”



## 2020/2021 HIGH POINTS

The Committee facilitates global information sharing by developing best practices that are proactive and shared through education and training, and providing consulting and advocacy assistance, when appropriate. The Committee encourages member companies to visibly promote good causes, conducts fundamental regulatory training for member companies and creates position papers on behalf of the direct selling industry.

The GRAC Committee plans to develop model regulatory themes regarding direct selling, referencing examples from specific markets that support good consumer protection measures. The GRAC Committee will also continue its ongoing work of maintaining the Legal Compendium. The Committee will continue to expand its regulatory toolbox with examples of direct selling-specific consumer protection legislation around the world that is championed by the industry and can be used as examples in discussions with policymakers.





# ASSOCIATION SERVICES



“2020 was a year that most wished to forget with global lockdowns causing most to isolate and abandon scheduled meetings but for DSA's this was a time when we came together more than ever in virtual meetings seeing our home offices and sharing how our members were handling the pandemic. In spite of early predictions of doom, the Direct Selling industry boomed during this time and we found new and improved ways to operating our businesses, running our associations and communicating with the very essence of our industry our people.”

Garth Wyllie  
Chairman

## WFDSA Anniversaries

### Asia / Pacific

India – 25th anniversary in 2021  
Singapore – 45th anniversary in 2021

### Europe / Africa

France – 55th anniversary in 2021  
Portugal – 20th anniversary in 2021  
Russia – 25th anniversary in 2021

### Latin America

Colombia – 25th anniversary in 2021  
Peru – 20th anniversary in 2021

## WFDSA Secretaries Meetings

With most international travel ceasing in 2020, WFDSA Secretaries meetings changed from being in person two-day event to several 1 to 2 hour virtual meetings. DSAs continued to exchange information and share best practices. We gained an understanding of what each DSA was undertaking to support their members during pandemic lockdowns and shared what challenges they face. The Secretaries from DSAs across the world used the time to brainstorm industry issues, exchange best practices and review DSA performance standards and new initiatives.

## Association Performance Program

In addition to the Secretaries meetings virtual Association Performance Program meetings were held regionally enabling a focus on core issues ranging from logistics to member retention when members might not be able to trade. Early on it became evident that our companies had pivoted online and similarly DSAs also transformed the way they operated virtual meetings across topics benefited member companies. Regional meetings were held for Asia Pacific, Latin America and Europe zones and continue to occur.

## DSA Ranking

We continue to see DSAs improve their performance year on year with now 19 DSA's reaching the Platinum level for their activities in spite of Covid lockdowns. Equally we have seen strong movement from Silver to Gold status in the latest round of rankings demonstrating the desire for excellence by our DSAs around the globe.

## DSA Standards Level Achievements

Congratulations to members who requalified or reached the following DSA Standards in 2019.

### Platinum

	Australia		Malaysia
	Argentina		Mexico
	Brazil		New Zealand
	Canada		Peru
	Chile		Philippines
	Colombia		Poland
	Ecuador		Russia
	France		South Africa
	India		Thailand
	Italy		Ukraine
	Korea		United States

### Gold

	Indonesia		Kazakhstan
	Baltics (Estonia, Latvia, Lithuania)		Spain
	Germany		Sweden
	Japan		Chinese Taipei
			UK

### Silver

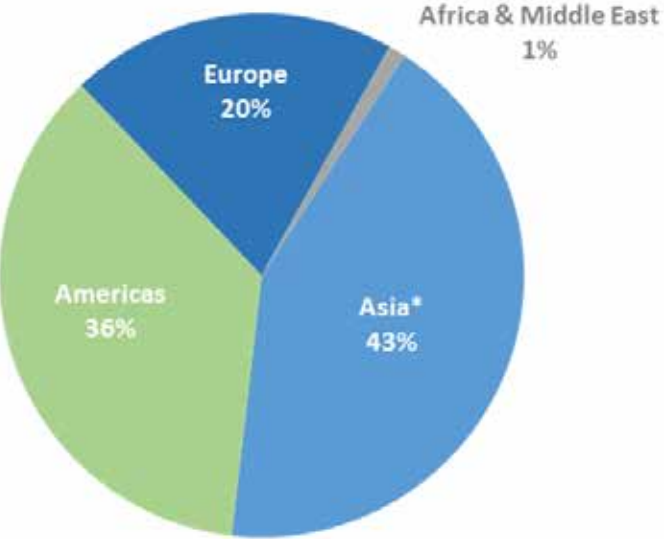
	Finland		Netherlands
	Hong Kong		Singapore
	Hungary		UAE
	Ireland		

### Bronze

	Costa Rica		Norway
	Croatia		Portugal
	Czech /Slovak		Slovenia

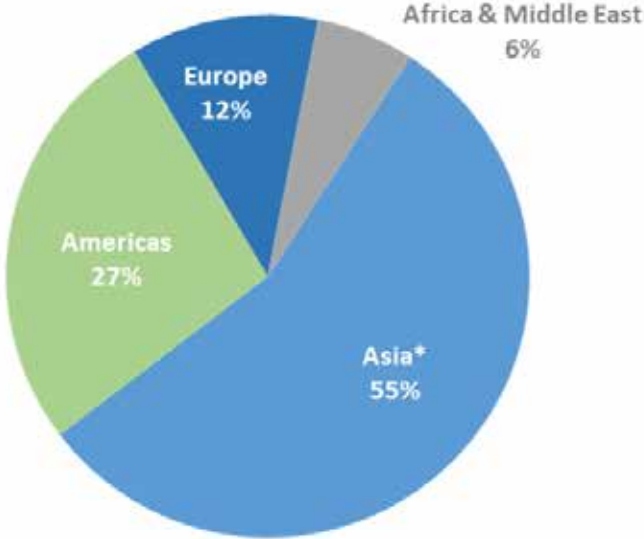


# GLOBAL BUSINESS RESULTS



## GLOBAL SALES IN USD BILLIONS 179.3

Asia Excluding China*	57.3	- up 3.5%
China*	19.2	- down 20.0%
Americas	64.7	- up 10.6%
Europe	36.2	- up 1.6%
Africa & Middle East	1.9	- up 4.0%



## GLOBAL SALES FORCE 125.4 MILLION

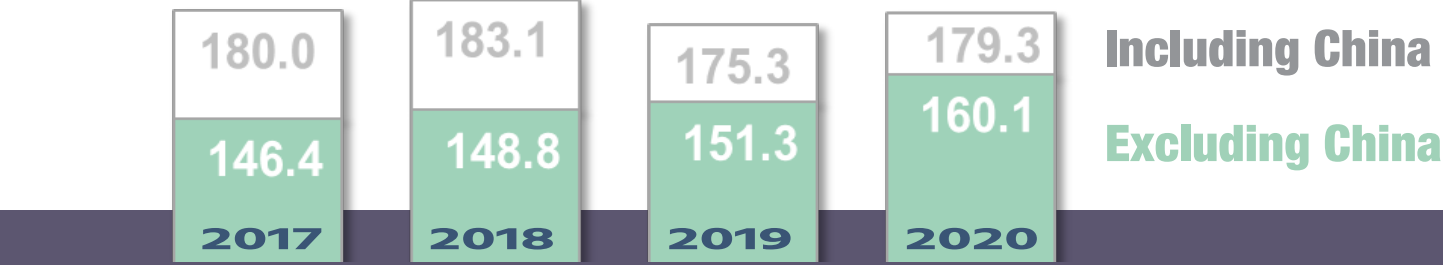
Asia Excluding China*	66.0	- up 2.2%
China*	3.6	- down 13.1%
Americas	33.7	- up 9.0%
Europe	14.5	- up 2.6%
Africa & Middle East	7.6	- up 18.2%

# 4 OF 4 REGIONS HAD SALES GROWTH, IF WE EXCLUDE CHINA

While COVID-19 had a significant impact on the global economy, the Direct Selling industry was also impacted at various stages of the pandemic. The industry was generally well placed to offer either flexible product access and/or supplemental income opportunity to offset some of this impact. China had a second consecutive year of decline with the impact of COVID-19 more materially impacting the industry in China, which was still recovering from the unrelated events that impacted 2019 sales. (WFSDA estimate of China sales is based on the data sources available.)

78% of GLOBAL SALES are generated by the top 10 countries.

# GLOBAL DIRECT SALES CONTINUED STRENGTH

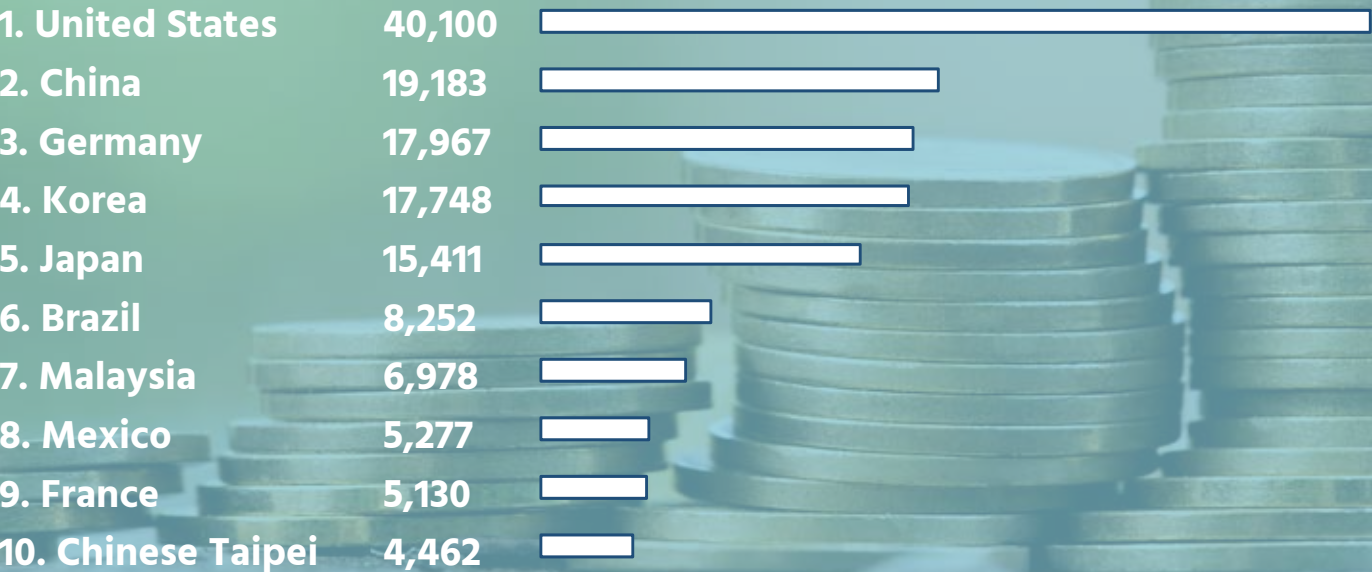


Excluding China sales, the industry continued growth with a three-year compound annual growth rate of 3.0% for the 2017-2020 period. (CAGR including China was -0.1%)

Sales figures are expressed in 2020 Constant USD at Estimated Retail, less value-added tax.

# United States is the #1 Top Selling Market in the World in 2020.

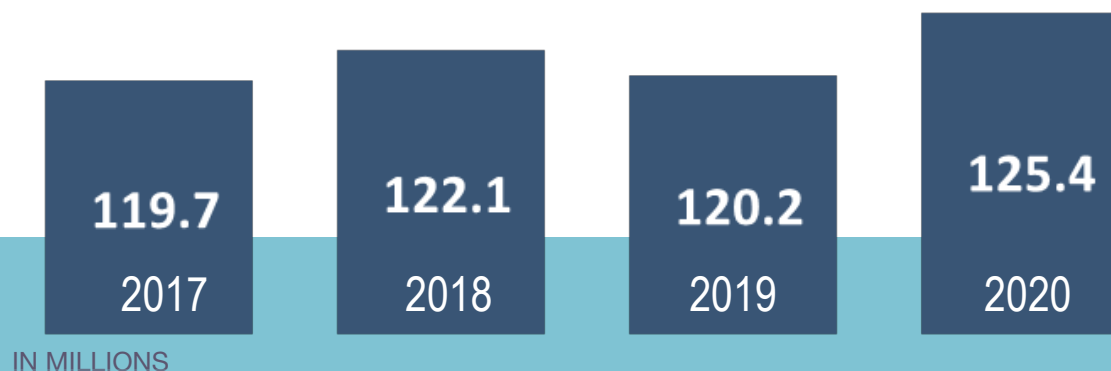
## TOP 10 MARKETS IN USD BILLIONS



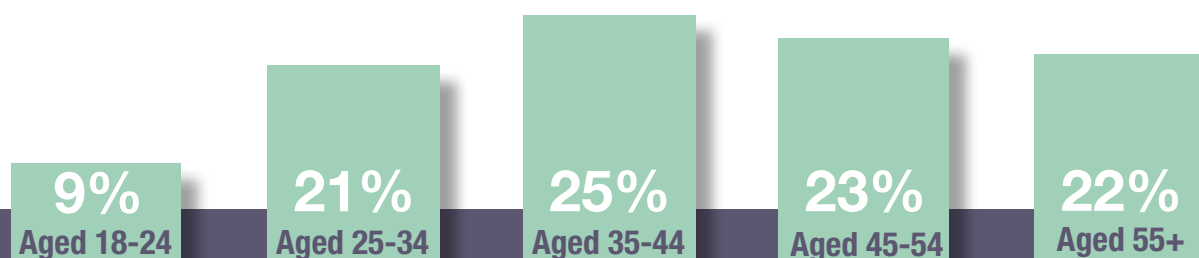




# 125.4 MILLION PEOPLE IN DIRECT SELLING



## PEOPLE OF DIRECT SELLING ON RAMP TO SUCCESS



**As the next generation of direct sellers, Gen Z now accounts for nearly 10% of the industry and direct selling remains equally attractive among all ages.**

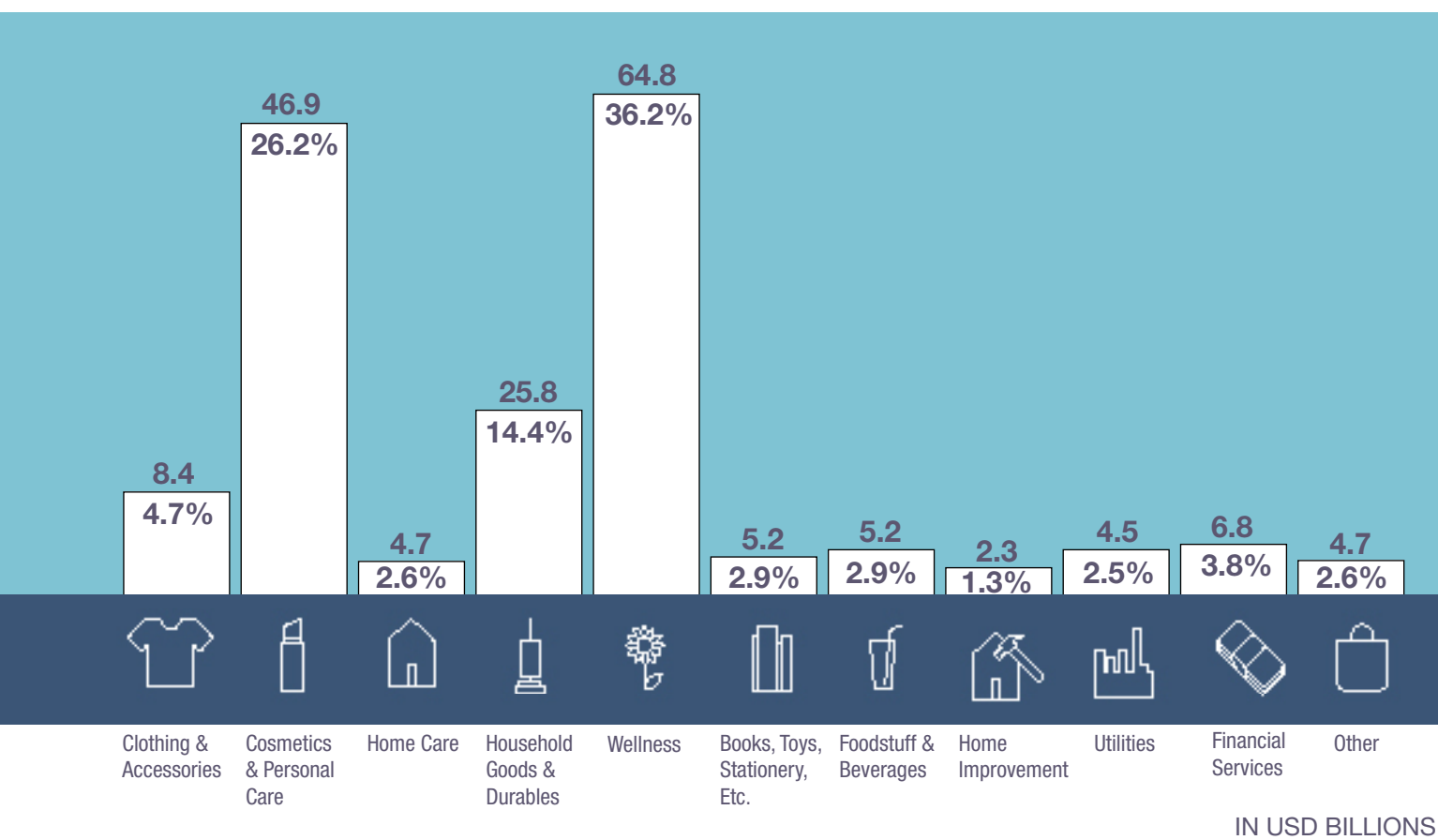


## 74% WOMEN / 26% MEN

The Direct Selling Industry continues to be an attractive opportunity for women, providing flexible options for supplemental income.



# GLOBAL SALES BY PRODUCT



Cosmetics/Personal Care (26.2%) and Wellness Products (36.2%) together account for more than 62% of category sales. Household Goods & Durables increased from 11.7% in 2019 to 14.4% in 2020, while Clothing & Accessories decreased from 6.2% to 4.7%.

# EMERGING V. ADVANCED ECONOMIES



**Direct Selling is in more than 170 countries, covering both emerging and advanced economies.**

Advanced markets represent a 63.5% share of global direct selling. The emerging markets, including China comprise 36.5% of the global direct selling share in 2020

**Emerging markets continue to present growth opportunities**

Excluding China, emerging markets grew by 6.4% over 2019, with a three-year compound annual growth rate of 4.6% (2017-2020), continuing to outpace the overall industry growth.



# WHAT THE WORLD IS SAYING:

No crisis or recession that the world has been facing so far has paralyzed the world's economies to the same extent as the now coronavirus SARS-CoV-2 and its preventive measures. The current situation places completely new and increased demands on the management of companies, DSAs and Direct Sellers themselves.

With the support of WFDSA, we have been able to identify the most pressing issues, set priorities and find effective solutions for our industry. The extraordinary importance of sharing of our experiences and best practices has also been confirmed.

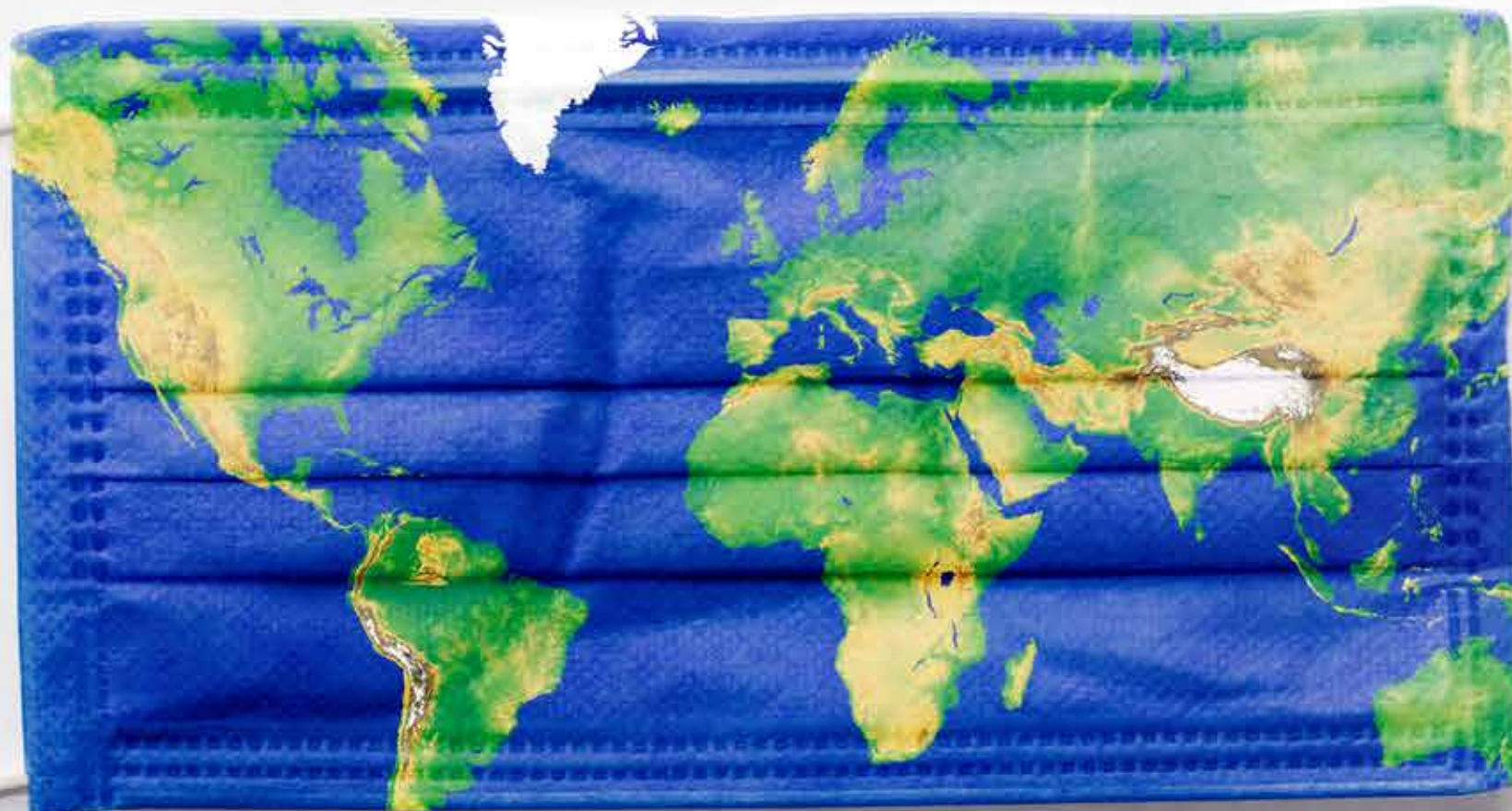
– Lenka Mrazova, General Secretary, DSA of Czech & Slovakia

The pandemic has brought our world closer. All countries found themselves in the same conditions and faced the same challenges. It was very important for us to feel the support of the World Federation, which has become a platform for communication, exchange of experience and study of best practices in overcoming the pandemic. We began to communicate more intensively, despite the fact that offline events were postponed. Also, the World Federation engages associations in discussions of the post-image world, new opportunities for company growth and the restoration of the industry to a new digital level. The demand for such a discussion is very high.

– Nadiya Bedrychuk, Executive Director, DSA of Ukraine

WFDSA gradually discussed all challenges and issues that DS industry and DS companies met during the pandemic, organized information exchange between national DSAs to promote a positive experience and achievements. It helped national DSAs to overcome barriers created by Covid -19 and gave feelings of belonging to a worldwide industry and community of professionals.

– Tamara Shokareva, Mary Kay



The contribution of the WFDSA in the most complex moments that we lived due to the pandemic has been fundamental. We were able to transcend borders in each meeting we had with all the DSAs of the world. Knowing that we are an articulated industry, helped and help us to face the difficult situation with greater positivity. Thanks to the WFDSA today we maintain that unity.

– María Fernanda León. Executive Director, DSA of Ecuador / WFDSA Association Advisory Council, Latin America Region

The unfortunate emergence of the Covid-19 pandemic has proven the outstanding relevance of the WFDSA to local DSAs. It has and continues to provide our association with countless aids, tools, and recommendations for us to give the best support to our member companies and look beyond for new opportunities for the direct selling industry. We deeply appreciate the hard work and dedication the WFDSA put into accompanying us with the best guidance during these complex and difficult times.

– Alfonso Silva, Executive Director, DSA of Chile

The pandemic situation revealed our strengths and weaknesses and forced us to rethink and develop our relationships with our members. It is in this context of a period of turbulence and economic uncertainty that the many meetings organized by the WFDSA for the DSAs have been of a considerable contribution.

– Jacques Cosnefroy, Executive Director, DSA of France





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